



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** September 27, 2011

**TO:** Mayor and Councilmembers

**FROM:** Business Division, Waterfront Department

**SUBJECT:** Waive Formal Bid Requirements And Authorize Purchase Order For Digital Payment Technologies Parking Equipment

### RECOMMENDATION:

That Council find it in the City's best interest to waive the formal bid process, as authorized by Municipal Code Section 4.52.070 (L), and authorize the General Services Manager to issue a purchase order to Digital Payment Technologies Corporation as the most favorable source for providing the City with eight self-pay parking stations for Waterfront Department parking lots in an amount not to exceed \$76,000.

### DISCUSSION:

Waterfront Department staff has been researching self-pay parking stations to upgrade the self-service Honor Fee systems (cash pay boxes) in the Harbor West, Garden Street, Palm Park, Cabrillo East and Cabrillo West parking lots.

In February 2011, City Purchasing put the parking equipment out to bid to several companies that provide self-pay parking stations that accept credit cards in addition to cash and coins. Digital Payment Technologies (DPT) was the only and successful bidder.

The self-service payment device from DPT is known as the "Luke" system. DPT's Luke parking station is capable of accepting cash, coin, and credit/debit cards. It is compliant with Americans with Disabilities Act (ADA) regulations and Payment Card Industry (PCI) requirements. Due to its ability to accept credit/debit cards and interface with the Department's computer network, the Luke system has the capability to increase revenue control and significantly enhance efficiency in the Waterfront self-service parking lots. The Luke systems are currently used at UCSB and the systems have also been installed by many cities including Glendale, Huntington Beach, Beverly Hills, and Santa Monica.

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The first two Luke machines cost approximately \$20,000. The machines were installed in the Harbor West parking lot and began operating on July 1, 2011. Approximately half of the payments in the Harbor West parking lot are now made by credit card and the system has reduced staff time associated with monitoring the lot and tracking the payments by 50%.

Staff plans to install self-pay parking systems in the remaining four Honor Fee lots (Garden Street, Palm Park, Cabrillo East and Cabrillo West) incrementally. In order to maintain consistency of self-pay parking systems in Waterfront Honor Fee lots, staff is requesting to waive the formal bid process and continue with the Luke machines from DPT as the most favorable source for providing the machines. Digital Payment Technologies has submitted a proposal for eight more machines at a cost of \$75,011. These machines will be installed in the Garden Street and Palm Park lots with a possible additional machine for the Harbor West lot. Staff does not intend to install the machines in staffed lots such as Stearns Wharf, Leadbetter and the main Harbor lot.

When the Luke system is implemented in the remaining Honor Fee lots, cost savings is projected be \$50,000 annually and the project should pay for itself within one to two years following the installation in all five lots. Funding of \$160,000 for the Luke system upgrade is included in the Waterfront Capital Improvement Program (CIP).

**PREPARED BY:** Scott Riedman, Interim Waterfront Director

**APPROVED BY:** City Administrator's Office